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ABSTRACT

Noting that illiteracy in the workplace is currently a major problem for American businesses and corporations, this booklet, developed by the National Commission for Employment Policy and Project Literacy U.S., suggests ways in which companies can help their workers become literate. The booklet first outlines the extent of the problem of illiteracy in American business, and notes that workers who cannot read often feel inadequate or crippled, and do not advance in the work force. It then suggests that it is never too late to learn to read, and offers as examples employees who enrolled in reading programs and subsequently became more successful. The next section stresses that businesses are in a unique position to combat illiteracy, and mentions two companies that have started or supported reading programs. The booklet then lists 13 specific ways companies can help their workers become literate, and issues a call to action to abolish illiteracy. A list of several companies and the type of action they have taken, and a list of national resources for more information on illiteracy conclude the booklet. (JC)

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LITERACY

The Challenge for Business

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

PLUS
PROJECT LITERACY U.S.

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Dear Business Colleague:

There was a time in our history when literacy was a point of personal pride. Today it is a matter of survival. The leather-bound volumes which once marked the gentleman's library have given way to the newspapers, magazines, books, manuals, printed instructions, government forms and computer technology we all face daily. Someone who cannot read -- and approximately one in five adult Americans cannot -- finds it very difficult to cope.

A majority of those Americans who are illiterate are in the workforce. Their underdeveloped skills represent a tremendous challenge for American businesses which must rely on top performance from employees to stay competitive here and abroad. Over the years, companies which have accepted that challenge, and helped employees upgrade their skills, have seen substantial improvements in quality and productivity.

Business operations large and small have benefited from employee skill development. While it is true that some major corporations have extensive in-house training programs, most executives who are concerned about employee skills work with established education and literacy programs in their local community.

This publication suggests how to begin your own business partnership with literacy. It was funded by the National Commission for Employment Policy as part of the Commission's mandate to identify and examine the employment goals and needs of the nation.

A major challenge our country now faces in remaining competitive in world markets is not the lack of jobs, but rather a lack of literate individuals to meet the demands of our expanding economy. Every employer who builds employee skills today offers, not just his or her company, but this country, a greater tomorrow.

Sincerely,

Gertrude C. McDonald

Gertrude C. McDonald
Chairman

THE CHALLENGE FOR BUSINESS

Most business men and women would agree that in today's highly competitive and complex marketplace, an educated workforce is a critical asset. Yet one in nine employees in America today is functionally illiterate.

Without basic reading and writing skills these workers cannot possibly perform to their full potential. If they could, the increased benefits, both to themselves and to their employers, would be considerable.

"If we're to renew our economy and protect our freedom we must sharpen the skills of every American mind and enlarge the potential of every individual American life."
—President Reagan

THE BOTTOM LINE

"Recently," states Don LeBrecht, Executive Director of the Broadcasting Productivity Council, "we asked some of the leading productivity experts in the country to tell us what impacted on productivity. One of the three major areas that they identified was the problem of functional illiteracy in the workplace. Illiteracy is not just a social issue; it is also a dollar-and-cents issue, one that affects a company's productivity, its bottom line."

"Illiteracy is not just a social issue; it is also a dollar-and-cents issue."
—Don LeBrecht
Broadcasting Productivity Council

If employees cannot read, then the businesses they work for are going to be affected, not only in terms of productivity, but also in terms of profits, job performance, and safety.

ITEM: A New York insurance company says that 70 percent of dictated correspondence must be redone because typists cannot spell and punctuate correctly.

ITEM: Because he could not read the word "clockwise" in the instructions, a welder installed an industrial blower incorrectly—a mistake that cost his company thousands of dollars.

ITEM: With some help, a Philadelphia man who was functionally illiterate memorized a thick sales manual word for word. He mastered his lines so well that he could turn to any page, point to a paragraph and reel it off as if he were reading.

ITEM: A computer company executive with an annual salary of $75,000 and a staff of four relied on his wife's reading and writing ability when doing reports. On one occasion he ran up a $200 telephone bill when he called her from Brussels for help in preparing a speech.

Illiteracy's effect on a company extends to its consumers. As one executive expressed it, "If people out there can't read, how can they read our ads?" Even the sports page in most major newspapers is written at an eighth- or ninth-grade reading level, and wire service articles average an eleventh-grade level. Business loses potential customers when not only newspaper ads, but product literature and consumer reports go unread.

THE HUMAN COST

There is no question that the cost of functional illiteracy is too high in dollars and cents. It produces errors, low productivity, poor product quality and absenteeism in the workplace. It keeps companies from getting their message across to consumers. And it can lead to accidents. But, as Secretary of Labor William Brock has pointed out, even more is at stake: "I think you're not only creating a circumstance where this country is going to have an increasingly difficult time competing and improving its economic base in a very competitive world, but you're creating a bifurcated society in which some can participate and some cannot. It is an intolerable circumstance . . . having two societies — one literate, one not. And if you are illiterate . . . you cannot be as productive a human being as you would otherwise be."

"This country is going to have an increasingly difficult time competing and improving its economic base in a very competitive world."
—William Brock
U.S. Secretary of Labor

Often the experience of illiteracy leads to tremendous personal stress at home and at work. Even though people who are functionally illiterate can work competently, they speak of feeling "scared," "inadequate" and "crippled." They withdraw and remain silent. Many take themselves out of the running for promotions when they learn that a written test is required, or that reading is a part of the job. Their talents remain hidden; their potential unrealized. These people would be the first to agree that this is no way to work, or live.

IT IS NEVER TOO LATE TO LEARN TO READ

Every year hundreds of thousands of adults turn their lives around by learning to read. Illiteracy rarely results from lack of ability or initiative. The most common causes are childhood illnesses or injuries, economic problems which forced some to leave school to work, unaddressed learning problems, inadequate schooling or family traumas.

Dr. Edwin Land, founder of the Polaroid Corporation, once said that "the function of industry is not just the making of goods; the function of industry is the development of people." If given the opportunity, most people who are functionally illiterate can reach their true potential and lead more productive lives both in and out of the workplace. For the business that gives people this opportunity, it is one of the best possible investments.

ITEM: A supervisor who got into trouble because his reports were unreadable enrolled in his company's basic skills program and has risen to technical trouble-shooter for sophisticated testing equipment.

ITEM: An unskilled materials packer who had quit school in the fifth grade went through his company's tutorial program, rose to materials foreman and has gone on to take several college prep courses.

ITEM: At his company's urging, a maintenance crew worker went back to school, earned his GED (high school equivalency diploma), and has since become part of the company's maintenance management team.

"The function of industry is not just the making of goods; the function of industry is the development of people."
—Dr. Edwin Land
Polaroid Corporation

Accepting the Challenge

Business is in a unique position to help meet the literacy challenge in the workforce. Employers and co-workers are sometimes the first to recognize an employee's reading problem, and they can be very influential in encouraging him or her to seek help.

Because people who are functionally illiterate are afraid of being discovered, they often go to great lengths to avoid demonstrating reading and writing skills with statements such as:

"I forgot my glasses."

"I can't read your handwriting."

"I just don't have time to read the manual; can you show me how to do it?"

"I'd like to take this application home and read it; I'll return it tomorrow."

As reluctant as these people are to admit to their lack of literacy skills, with their company's respect and support they can learn the skills they need. As Don Bohl, group editor of the American Management Association, explains: "Literacy relates to job skills. It's a bread-and-butter issue if there's money attached to it . . . If it means retraining, or getting a better job, then there's a motivation for learning, and the workplace can become an incentive for learning." No company likes to believe that it has people who are illiterate in its workforce. Yet how often do business executives have trouble finding competent people to fill positions? How often do they complain about high turnover rates? Those companies that have accepted the challenge of helping to create a literate workforce realize that investing in employee literacy makes good business sense. Many have established their own in-house basic skills programs, incorporating them into their employee education and training programs.

"Literacy relates to job skills. It's a bread-and-butter issue . . ."
—Don Bohl
American Management Association

ITEM: Polaroid Corporation's Fundamental Skills Program is the oldest in-house basic skills program in the country. It offers a variety of services and special programs in reading, writing, math, and problem solving. At least 50 percent of its programs focus on the needs of hourly employees. The company has assessed

the basic skills required for each of its jobs. All classes are voluntary, and all tie learning to the jobs people do—the priorities being improved job performance and preparation for job growth. Part-time consultants as well as full-time employees of Polaroid conduct the program.

ITEM: In cooperation with the local school system, Planters, part of the Planters • Life Savers Division of Nabisco Brands, Inc., has, since 1978, offered classes in basic reading, writing and mathematics skills to employees at its Suffolk, Virginia facility. Students must attend, on their own time, at least four hours of classroom instruction per week. When they meet the four-hour requirement, Planters pays them for two.

"Retraining is less expensive than firing an employee, or letting one reach a point of such demoralization that he or she quits."
—Dr. Iris Elfenbein
American Council of Life Insurance

Providing retraining and/or remediation is cost-efficient. As Dr. Iris Elfenbein, program director for educational resources at the American Council of Life Insurance, points out: "It is less expensive than firing an employee, or letting one reach a point of such demoralization that he or she quits, and then have to hire and retrain another person to do the same job. In that case, you have a revolving door, which *is* expensive."

Other companies are meeting the challenge of a more literate workforce by getting involved with local schools—the source of future employees. One of the more innovative and successful experiments involving business and schools was implemented by Arthur G. Gunther, former president of Pizza Hut. In a national effort, called "The Book It National Reading Incentive Program," the company and its franchisees collaborate with local schools to encourage good reading habits. As students achieve personal reading goals set by their teachers, they earn free pizza at the restaurant and other awards. Last year 12 million students took part, and the program aims to involve two-thirds of the nation's 24 million elementary school students.

Getting involved with the local school board and speaking out for the needs of the business community costs little, but it can yield high dividends. As Donald C. Mann, vice president of human resources at Prudential Insurance,

states: "There is an awful lot riding on the success of America's public schools: productivity in the immediate and long-range future, jobs, and perhaps the American system. For better or worse, the school system is as linked to our destiny as Moby Dick was to Captain Ahab's. We cannot escape."

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GETTING THE JOB DONE

Just as each individual's needs are unique, so are each company's. Executives interested in encouraging better reading skills within their company can best proceed by contacting their community's literacy coalition or group. These organizations know the local resources and programs that can best help a company fill its skills gap. The names of literacy organizations are available from the local public library or the school superintendent's office.

Once a company has made a commitment to literacy, it will find many ways to become involved. For example, it may:

- provide in-kind assistance to local literacy programs — space to hold classes, donations of computers and other equipment, and printing of instructional materials.
- loan executives' time to help literacy organizations write proposals or seek grants, assist them in their budget and financing questions, or publicize and promote their services.
- establish an employee basic skills program, using instructors or staff volunteers trained by literacy organizations.
- initiate a policy that makes it clear to its employees that they will be rewarded for having the courage to seek help for literacy problems.
- encourage its executives, employees, and their families to serve as volunteers in community literacy programs.
- use its position in the community to help raise awareness of the problem, and to solicit more public support for literacy programs on the local and national levels.
- assess the reading level of its own manuals and bulletins, as well as its customer communications. A company can benefit from an understanding of its own communications level.
- publicize the existence of local literacy programs by posting hotline numbers on bulletin boards and distributing appropriate literature. It is important for employees to know that these programs are available.
- become a role model. A company can show the rest of the business community that it is concerned, and that by becoming actively involved, it can make a difference.

If a company can afford to provide financial aid, it can spend its money wisely by:

- making grants to local adult literacy programs — Literacy Volunteers, Laubach Literacy, libraries, literacy coalitions, community-based organizations, and other adult education programs — to help the programs' development and expansion of tutoring and other services.
- becoming a member and/or providing financial support to local and state literacy planning/coordinating councils and agencies.
- giving financial support to the research, data-gathering and information dissemination of adult literacy centers.
- making grants available for the development of new literacy approaches and services, for example, the use of computers and television.

A CALL TO ACTION

In 1972, the Senate Select Committee on Equal Opportunity estimated that illiteracy's cost to the country and to illiterate individuals—in terms of unrealized lifetime earnings—was $237 billion. An updated figure would be even more staggering. Clearly, functional illiteracy is a detriment, not only to the individuals involved but to the country as a whole. As Arnold Grisman, an executive with the J. Walter Thompson agency, states: "Illiteracy is bad for the country. Anything bad for the country is bad for any business doing business in this country."

To help eliminate functional illiteracy in America, all businesses, large and small, should consider putting a more literate workforce high on its list of priorities, using its own resources to meet the challenge, and vigorously supporting local and regional literacy action plans. "If we're to renew our economy and protect our freedom," President Reagan has said, "we must sharpen the skills of every American mind and enlarge the potential of every individual American life."

"Illiteracy is bad for the country. Anything bad for the country is bad for any business doing business in this country."
—Arnold Grisman
J. Walter Thompson Agency

COMPANIES ALREADY INVOLVED

From coast to coast, many businesses have recognized that literacy is an important community issue. To illustrate the wide diversity of companies interested in the problem, below is a partial list of some of the business organizations which support, or have supported, various state, community and/or employee literacy and basic skills programs.

Have Offered Grants and In-Kind Assistance

AMERICAN BOOKSELLERS ASSOCIATION
AMERICAN EXPRESS COMPANY
ARCO
ASHLAND OIL FOUNDATION
AT&T
ASSOCIATION OF AMERICAN PUBLISHERS
CHICAGO TRIBUNE CHARITIES
CIGNA CORPORATION
CONTROL DATA CORPORATION
B. DALTON BOOKSELLER
FIRST UNION CORPORATION
GANNETT FOUNDATION
GRUMAN CORPORATION
GTE CORPORATION
GULF + WESTERN FOUNDATION
HONEYWELL
IBM CORPORATION
MAGAZINE PUBLISHERS ASSOCIATION
McGRAW-HILL, INC.
NEW JERSEY BELL
PHILADELPHIA INQUIRER
PIZZA HUT
PRINTING INDUSTRIES OF AMERICA
READER'S DIGEST
SEARS ROEBUCK & COMPANY
TIME, INC.
TIMES MIRROR COMPANY
WAL-MART STORES

Support Planning and Awareness

AMERICAN ASSOCIATION OF ADVERTISING AGENCIES
AMERICAN BOOKSELLERS ASSOCIATION
AMERICAN COUNCIL OF LIFE INSURANCE
AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION FOUNDATION
ASHLAND OIL FOUNDATION
ASSOCIATION OF AMERICAN PUBLISHERS
BLUE CROSS/BLUE SHIELD OF MASSACHUSETTS
CAMBRIDGE BOOK COMPANY
CAPITAL CITIES/AMERICAN BROADCASTING COMPANIES, INC.
CHICAGO TRIBUNE CHARITIES
CIGNA CORPORATION
CONTROL DATA CORPORATION
COX NEWSPAPERS
B. DALTON BOOKSELLER
EL PASO HERALD-POST
FAMILY CIRCLE MAGAZINE
GANNETT FOUNDATION
GENERAL ELECTRIC
HITACHI FOUNDATION
HOUSTON CHRONICLE
IBM CORPORATION
MAGAZINE PUBLISHERS ASSOCIATION
McGRAW-HILL, INC.
MELLON BANK
NABISCO BRANDS, INC.
NEW JERSEY BELL
PHILADELPHIA INQUIRER
PIZZA HUT
POLAROID CORPORATION
PRATT & WHITNEY
PRINTING INDUSTRIES OF AMERICA
READER'S DIGEST
SEARS ROEBUCK & COMPANY
TIME, INC.
TIMES MIRROR COMPANY
WAL MART STORES

Sponsor Employee Basic Skills Programs

BLUE CROSS/BLUE SHIELD OF MASSACHUSETTS
FORD MOTOR COMPANY
GENERAL MOTORS CORPORATION
HONEYWELL
NABISCO BRANDS, INC.
NEWPORT NEWS SHIPBUILDING COMPANY
ONAN CORPORATION
POLAROID CORPORATION
PRATT & WHITNEY

National Resources

For more information on illiteracy in the workplace and literacy programs, contact the following:

- THE ADULT BASIC EDUCATION PROGRAM:
  The ABE Program is the largest single adult basic skills program in the nation. At the local level, it operates primarily through school districts, providing reading, writing and other basic skills instruction, including English-as-a-Second-Language (ESL). Co-sponsoring arrangements have begun to emerge, in which local ABE programs join forces with community colleges, business and industry, unions, churches and other groups. For more information, contact ABE, Division of Adult Education, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202, 202/732-2270.
- AMERICAN LIBRARY ASSOCIATION:
  ALA encourages local libraries to get involved either in direct literacy instruction or in the planning and development of community literacy resources. With a membership of 40,000 libraries and librarians, ALA provides an important link in the literacy network, connecting and collaborating with local ABE programs, voluntary programs, community colleges and community-based organizations. For more information, contact ALA, Office for Library Outreach Services, 50 East Huron Street, Chicago, IL 60611, 312/944-6780.
- AMERICAN SOCIETY FOR TRAINING AND DEVELOPMENT:
  ASTD can provide information on training programs in corporate settings. Contact ASTD, 1630 Duke Street, Box 1443, Alexandria, VA 22313, 703/683-8123.
- ASSOCIATION FOR COMMUNITY BASED EDUCATION:
  ACBE is a national association of independent community-based educational institutions. The organization promotes alternative adult education programs in a wide range of areas, including programs in adult literacy. For information about community-based literacy programs and practices contact ACBE, 1806 Vernon Street, NW, Washington, DC 20009, 202/462-6333.

- BUSINESS COUNCIL FOR EFFECTIVE LITERACY:
  BCEL is a publicly supported foundation established to foster greater corporate awareness of adult functional illiteracy and to increase business involvement in the literacy field. Its officers and staff interact with literacy groups and planners around the country to provide reasonable advice to the business community on opportunities for their involvement. BCEL publishes a quarterly newsletter for the business community, and has developed a directory of key literacy contacts in each state. For more information, contact BCEL, 1221 Avenue of the Americas, New York, NY 10020, 212/512-2415/2412.
- CONTACT LITERACY CENTER:
  Contact is an information clearinghouse and referral service for the Coalition for Literacy, an alliance of literacy providers and concerned organizations. The center operates the only national hotline for literacy. Businesses may be interested in Contact's printed information on how to establish a literacy program and/or specific information on how corporations can support literacy. The center can also supply a current list of local literacy programs. For more information call 1-800-228-8813 or write Contact Literacy Center, P.O. Box 81826, Lincoln, NE 68501.
- LAUBACH LITERACY ACTION:
  With operations in 21 states, Laubach trains and certifies tutors to teach reading and writing, and English-as-a-Second-Language (ESL), provides management and organizational assistance to its local tutoring programs, and prepares the instructional materials used by its tutors and students around the country. For more information, contact Laubach Literacy Action, 1320 Jamesville Avenue, Syracuse, NY 13210, 315/422-9121.
- LITERACY VOLUNTEERS OF AMERICA:
  LVA's central staff supports its local programs with tutor training assistance, management help, and audio and visual materials development. Emphasizing the use of materials that are built around the needs and interests of individual students, LVA presently operates tutoring programs in 31 states. For more information, contact LVA, 5795 Widewaters Parkway, Syracuse, NY 13214, 315/445-8000.

Laubach and LVA rely primarily on a one-on-one tutorial format. They are major sources of tutor training for other literacy organizations. Some local programs work jointly with corporations to provide basic skills instruction.

- NATIONAL ALLIANCE OF BUSINESS:
NAB recently produced a booklet titled "Employment Policy—Looking to the Year 2000"; it discusses illiteracy in the workplace as well as other issues involved in preparing the workforce for the next century. The NAB also held a national conference that focused on youth issues in the year 2000. A booklet, "Youth—A Call to Action," summarizing the conference, and a videotape, "Jobs Agenda for America," produced for the conference, are available from NAB. For more information, contact NAB, 1015 15th Street NW, Suite 500, Washington, DC 20005, 202/457-0040.
- NATIONAL ASSOCIATION OF PRIVATE INDUSTRY COUNCILS:
NAPIC can provide information and consultation to business volunteers who are serving on Private Industry Councils (PICs). They can supply names and contacts at any of the 620 local PICs. For more information, contact NAPIC, 1015 15th Street, NW, Suite 600, Washington, DC 20005, 202/289-2950.

Both NAB and NAPIC, along with the U.S. Conference of Mayors and the National Job Training Partnership, Inc., have recently established The Center for Remediation Design. The Center provides government, business and community leaders with information on remediation programs that are available, and helps these groups sort through the options and choices to find those which will best suit their workforces' needs.

For more information, contact The Center for Remediation Design at 202/289-2952.

- U.S. CHAMBER OF COMMERCE:
The U.S. Chamber of Commerce has been involved in the illiteracy problem for some time. More than 500 local Chambers of Commerce have some sort of on-going activity, program, policy or political agenda. Many of them are tied to local educational institutions. Contact your local Chamber of Commerce for more information.

- U.S. DEPARTMENT OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION
  ETA is responsible for all training and re-training policies for the U.S. Government. The office also develops, implements and supervises training and adult literacy programs for the Department of Labor, and administers the Job Training Partnership Act (JTPA). For more information contact:
  U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue, NW, Washington, DC 20210, 202/523-6871.

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